



Analysis and Community-wide Visioning

Related to Existing Conditions, Taxes, and Future
Development Opportunities

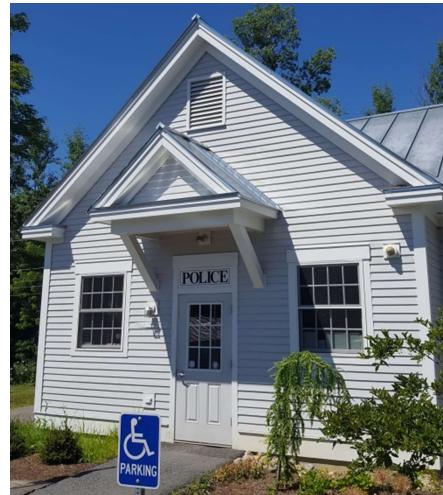
Agenda:

- Welcome and Introductions
- Overview of the Study
- Lyme's Land Use Pattern
- Municipal Expenditures, Taxes, and Development Scenarios
- Questions, Comments, and Discussion
- Next Steps



Overview of the Study

- Existing Conditions
- Taxes and Expenditures
- Future Development Opportunities





Existing Land Use and Zoning

- Extensive natural resources (steep slopes, wetlands, agricultural soils, etc.) and conservation land
- Primarily a rural residential development pattern
- Lack of water and sewer infrastructure
- Limited Telecommunications Currently (Lyme Fiber Spring 2020)
- Available land zoned for development
- Recently expanded Commercial Zone on Route 10

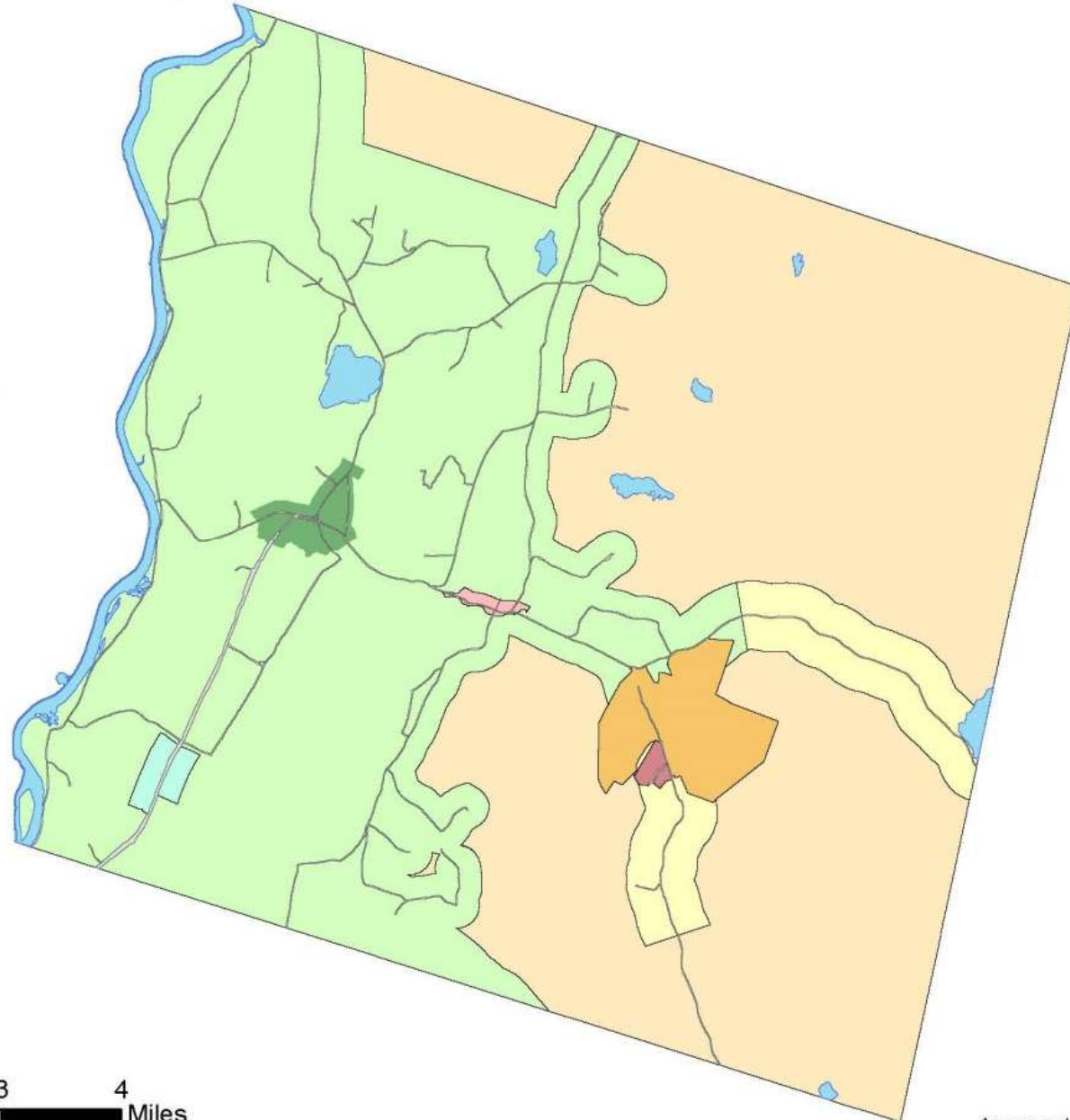


Lyme Zoning Districts

Appendix D - Lyme Zoning Districts

-  Commercial
-  Common
-  East Lyme
-  Holt's Ledge
-  Lyme Center
-  Mountain and Forest
-  Rural
-  Skiway

Zoning coverage, roadways and water
provided by
Cartographic Associates, Inc.



Scale = 1:81,000

0 0.5 1 2 3 4 Miles

Caveats

- Analysis of this type is both art and science—it is inherently imprecise.
- Public services are provided to the community as a whole, not in discrete units—fire protection is provided irrespective of assessed value of an individual unit.
- Some town costs are fixed, irrespective of modest or moderate growth—a school principal's salary, for example.

The Basics

- The fundamental questions are:
 - Will new development likely have a meaningful positive impact on town finances?
 - Will new development about break even?
 - Will new development have a meaningful negative impact on town finances?

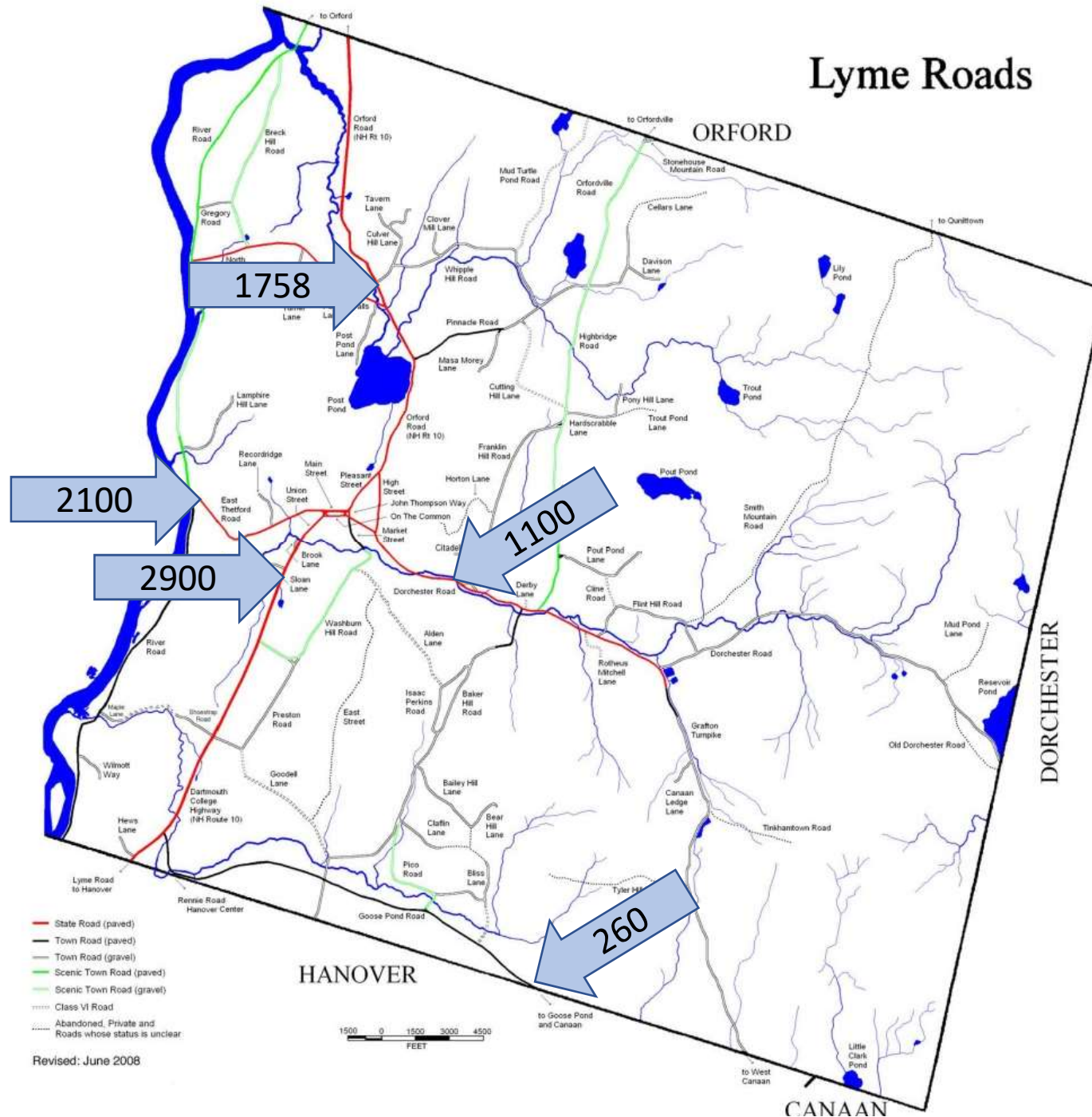
What Level of Development is
Feasible

There is Significant Demand for New Housing in the Upper Valley Region

According to the Upper Valley Regional Planning Commission's 2012 Housing Needs Assessment (2012):

- There is a 10-year need for 3,350 to 5,550 new housing units in the Upper Valley;*
- Between 1,200 and 1,950 of these units should be affordable workforce housing*

Lyme Roads



Major Larger Scale, Commercial Development is Unlikely

- Traffic counts on Route 10 (generally under 2,000 cars per day) are well below target levels for big box retailers or major retail clusters;
- Lyme's population is not high enough or growing fast enough to attract a major retail development;
- Lyme does not have municipal sewer or water;
- There is a limited amount of prime, properly zoned land;
- The scale of the community favors lower density development;
- The market will support lower density retail and office uses, possibly in combination with residential uses.

Demographic and Financial Background

Lyme is Growing Slowly

| POPULATION AND HOUSING TRENDS | | | | | |
|--|--------|--------|--------|------------------|--------|
| | 2000 | 2010 | 2018 | Change 2000-2018 | 2023 |
| POPULATION | | | | | |
| Lyme | 1,679 | 1,716 | 1,763 | 84 | 1,794 |
| Grafton County | 81,743 | 89,118 | 91,855 | 10,112 | 93,584 |
| | 2000 | 2010 | 2018 | Change 2000-2018 | 2023 |
| TOTAL HOUSING UNITS | | | | | |
| Lyme | 752 | 810 | 840 | 88 | 866 |
| Grafton County | 43729 | 51120 | 53569 | 9,840 | 55486 |
| VACANT AND SECOND HOMES | | | | | |
| | 2000 | 2010 | 2018 | Change 2000-2018 | 2023 |
| Lyme | 74 | 105 | 109 | 36 | 118 |
| Grafton County | 12,113 | 15,132 | 15,803 | 3,690 | 16,701 |
| HOUSEHOLDS (OCCUPIED HOUSING UNITS) | | | | | |
| | 2000 | 2010 | 2018 | | 2023 |
| Lyme | 678 | 705 | 731 | 53 | 748 |
| Grafton County | 31598 | 35986 | 37744 | 6,146 | 38770 |

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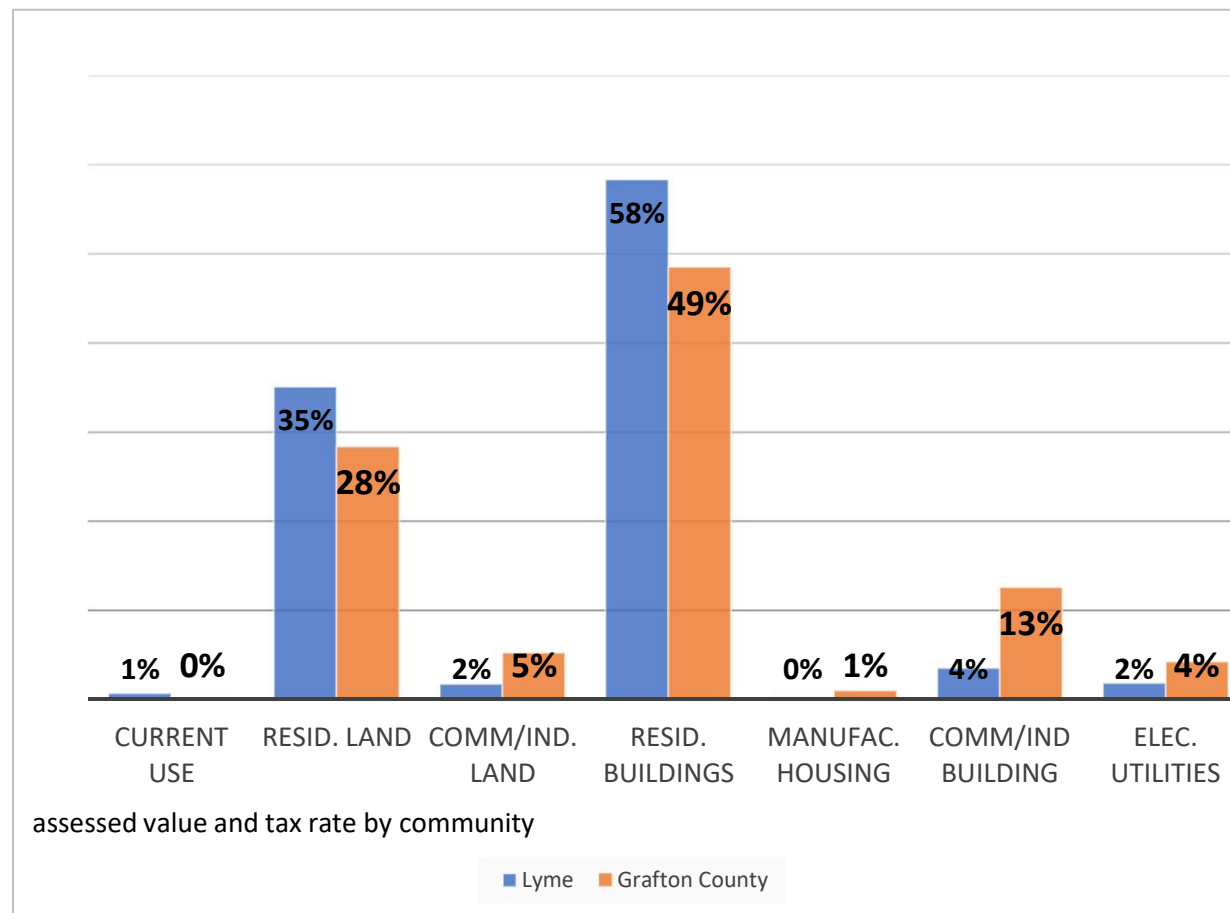
Source: US Census and ESRI

Lyme is Comparatively Affluent, Older, with a Higher Than Typical Tax Burden Than the County Average

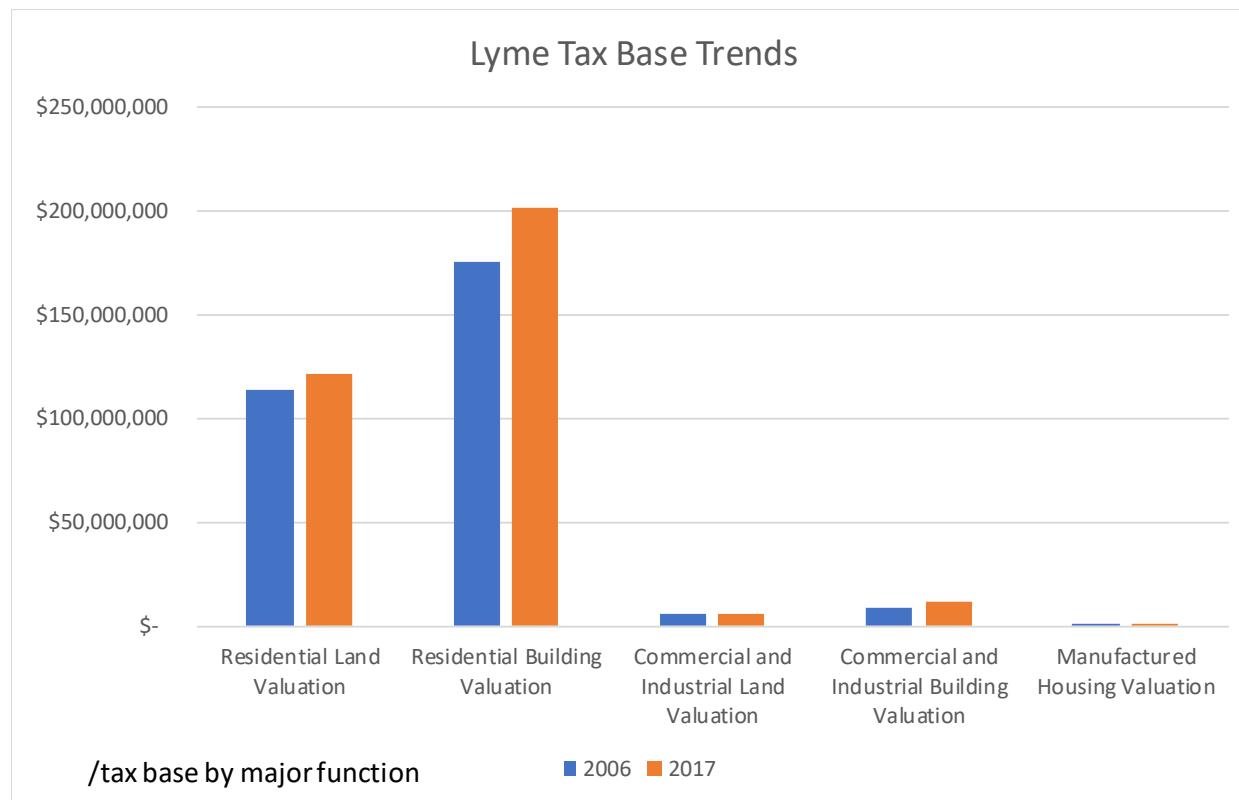
| | | | | | |
|--------------------------------------|------------|-----------------|-------------------|--|--|
| MEDIAN HOUSEHOLD INCOME-2018 | | | | | |
| Lyme | \$ 118,005 | | | | |
| Grafton County | \$ 57,585 | | | | |
| | | | | | |
| MEDIAN HOME VALUE 2018 | | Tax Rate | Tax Burden | | |
| Lyme | \$ 459,223 | \$ 27.19 | \$ 12,500 | | |
| Grafton County | \$ 212,527 | \$ 21.66 | \$ 4,600 | | |
| Value source: ESRI | | | | | |
| | | | | | |
| MEDIAN AGE 2018 | | | | | |
| Lyme | 50.6 | | | | |
| Grafton County | 43.4 | | | | |
| | | | | | |
| % OF POPULATION AGE 65+, 2018 | | | | | |
| Lyme | 19.8% | | | | |
| Grafton County | 21.5% | | | | |
| | | | | | |
| Source: ESRI and US Census | | | | | |
| | | | | | |

Source: US Census and ESRI

Lyme's Tax Base is Heavily Residential—93% Residential Land and Buildings (Current Use is Inventoried at Taxable, Not Market, Value)



Non Residential Tax Base Is Stable and Minimal

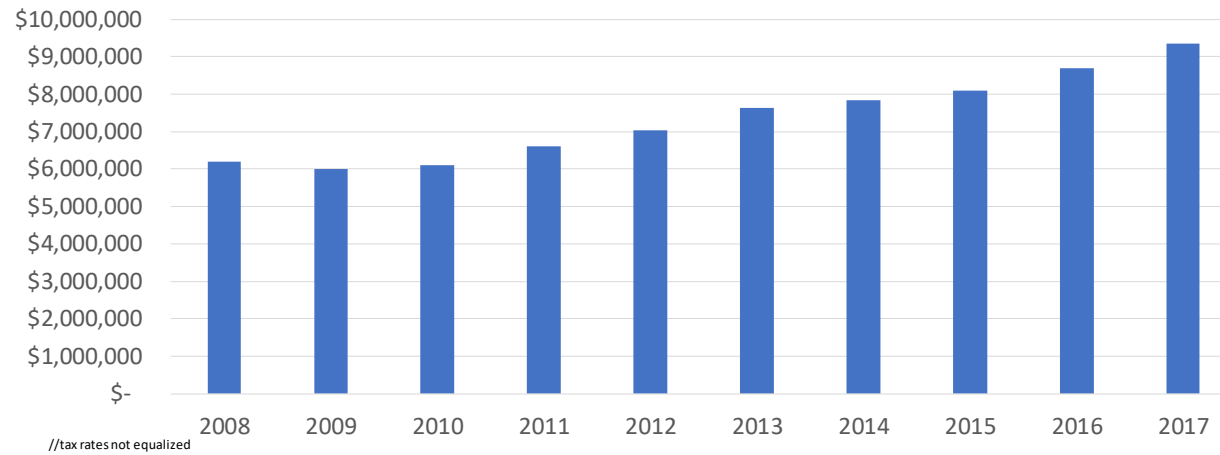


Lyme Has Relatively High Values and Relatively High Spending/Taxes Per Capita

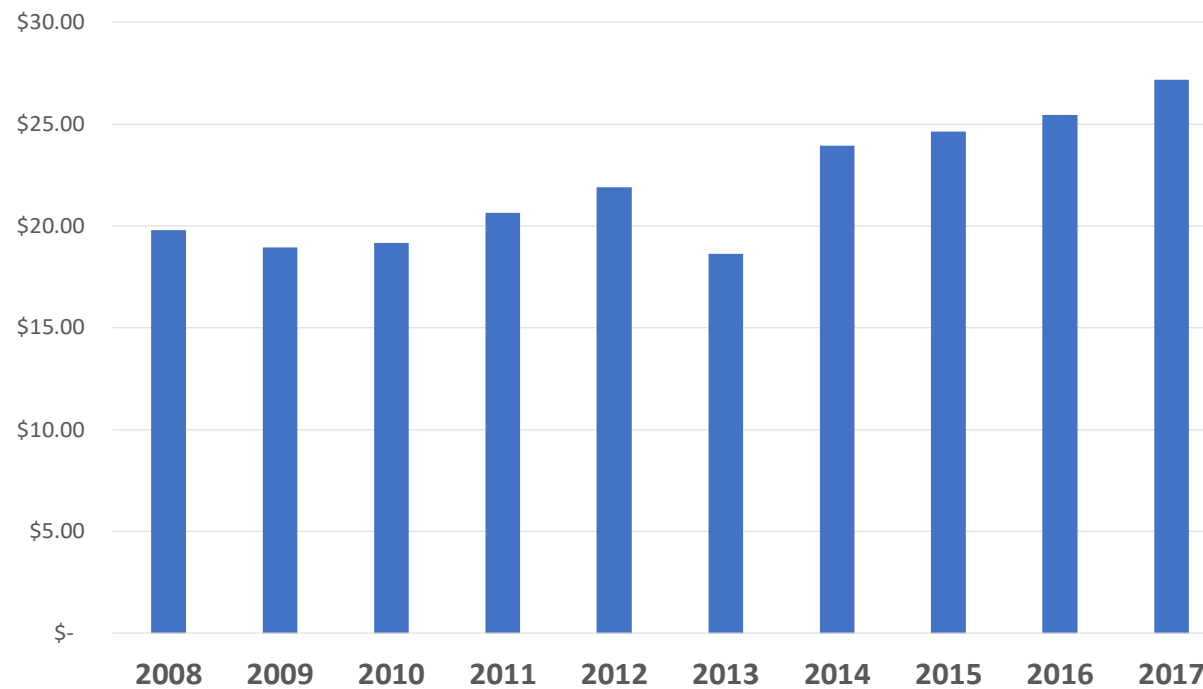
| Lyme Comparative Figures | | |
|-------------------------------|------------|------------------------|
| | Lyme | Grafton County Average |
| Net Valuation Per Capita | \$ 202,000 | \$ 148,350 |
| Net Tax Commitment per Capita | \$ 5,450 | \$ 3,259 |

Lyme residents appear to expect high quality services, resulting in higher spending and higher taxes than if services (schools, etc.) were inferior.

Lyme Property Taxes Raised



Lyme Tax Rate (Not Equalized)



Increases in Taxes and Spending Exceed Inflation

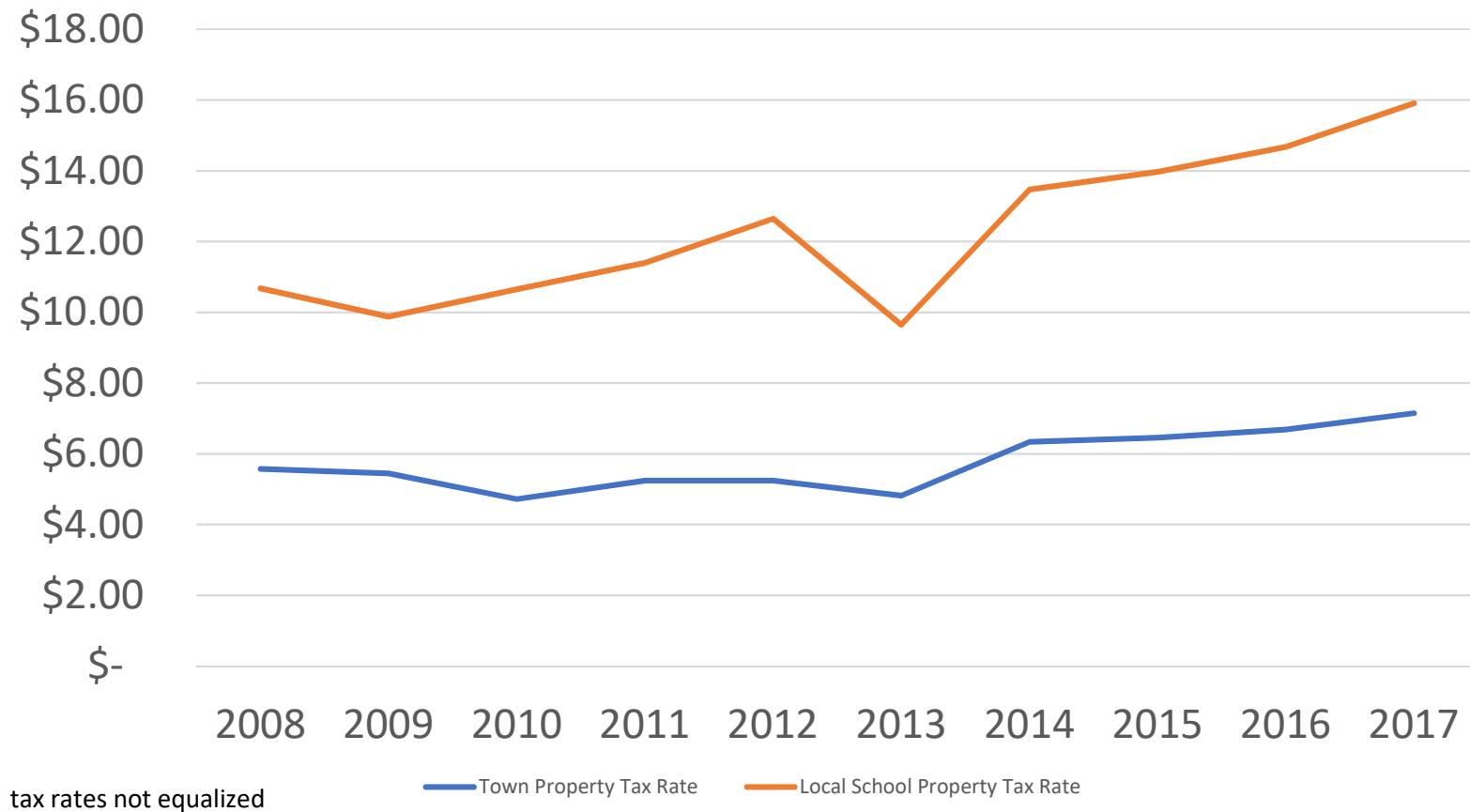
| Tax Rate | | | |
|--|--------------|--------------|----------|
| | 2008 | 2017 | % Change |
| Actual | \$ 19.79 | \$ 27.19 | 37% |
| Inflation Adjusted | \$ 22.77 | \$ 27.19 | 19% |
| | 2008 | 2017 | |
| Taxes Raised | | | |
| | 2008 | 2017 | % Change |
| Actual | \$ 6,198,500 | \$ 9,338,200 | 51% |
| Inflation Adjusted | \$ 7,131,900 | \$ 9,338,200 | 31% |
| | | | |
| 2008 figures adjusted to constant 2017 dollars | | | |
| | | | |
| C:\Users\Owner\Desktop\lyme fiscal planning 2018 nov\[tax rates not equalized.xlsx]DataDownload20180712143109575 | | | |

Lyme's Estimated Residential Tax Burden per Housing Unit is High

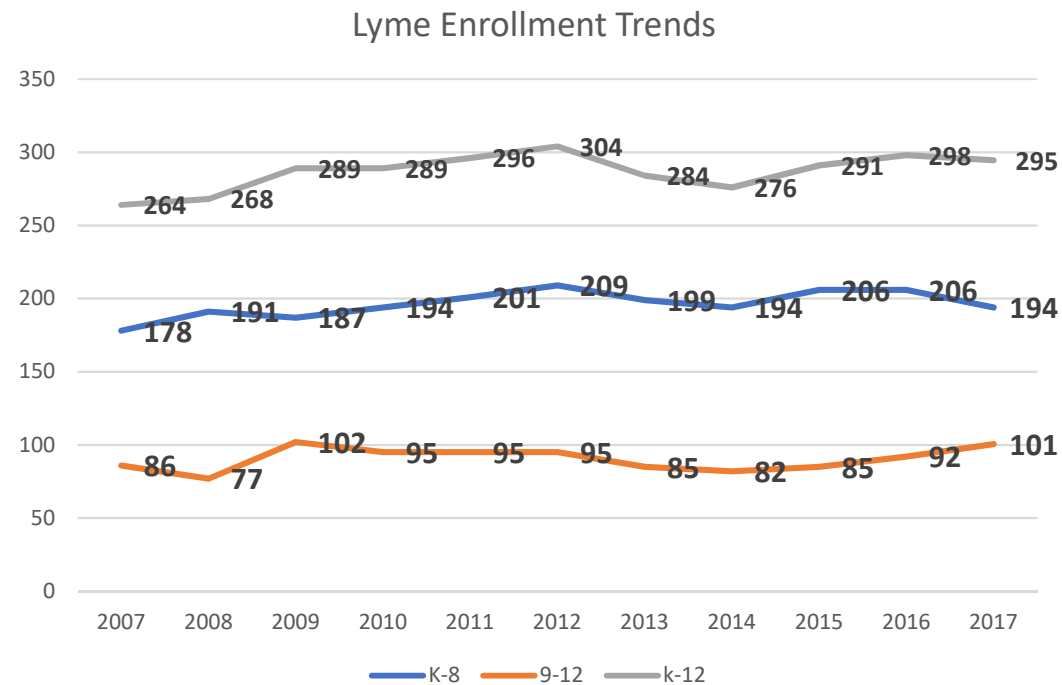
Almost 3 Times County Average—
Before Exemptions

| ESTIMATED MEDIAN HOME VALUE 2018 | | Tax Rate | Tax Burden |
|--|------------|----------|------------|
| Lyme | \$ 459,223 | \$ 27.19 | \$ 12,500 |
| Grafton County | \$ 212,527 | \$ 21.66 | \$ 4,600 |
| Value source: ESRI Based on US Census Amer. Community Survey | | | |

Municipal and School (K-12) Tax Rates (Not Equalized to Market Value)



Enrollment Trends Generally Show an Increase



\enrollment trends with chart
Source: lyme school district

School Enrollment per Occupied Housing Unit is Higher Than County Average

| Comparative Enrollment per Occupied Housing Unit, 2017-18 | | | |
|---|-----------------------|-----------------------------------|----------------------------|
| | Enrollment 2017-18 | Occupied Housing Units 2017 | Enrollment K-8 per Unit |
| Lyme | 295 | 731 | 0.404 |
| Grafton | 10,748 | 37,744 | 0.285 |
| Source: Lyme School District, NH Dept of Education, ESRI | | | |
| | | | |
| | | | |

COST PER PUPIL IS HIGH (2016-17)

State Average Cost per Elementary Student \$15,400

Lyme Cost per Elementary Student \$20,650

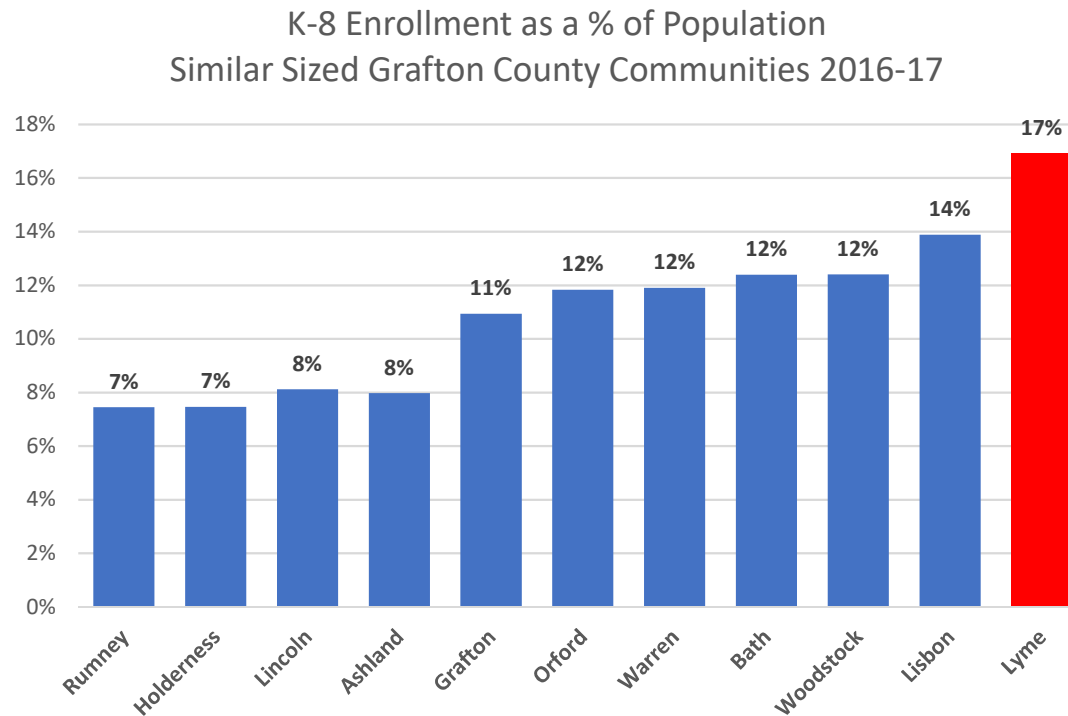
Source: NH Dept of Education—Excludes tuition and transportation costs

NOTE: LYME'S COST PER STUDENT IS SIMILAR TO SOME OTHER SMALL NH COMMUNITIES

EQUALIZED VALUATION PER PUPIL IS HIGH

| Equalized Valuation per Pupil, 2016 | | | | | | |
|-------------------------------------|----|---------------------|--|--------------------------|----|---------------------------|
| | | Equalized Valuation | | Average Daily Attendance | | Equalized Value per Pupil |
| STATE AVERAGE | \$ | \$ 173,350,215,068 | | 176,444.87 | \$ | \$ 983,646 |
| LYME | | \$ 369,240,639 | | 288.73 | | \$ 1,278,844 |
| | | | | | | |
| ✓ #N/A | | | | | | |

Higher School Enrollment Than in Similar Sized Grafton County Communities

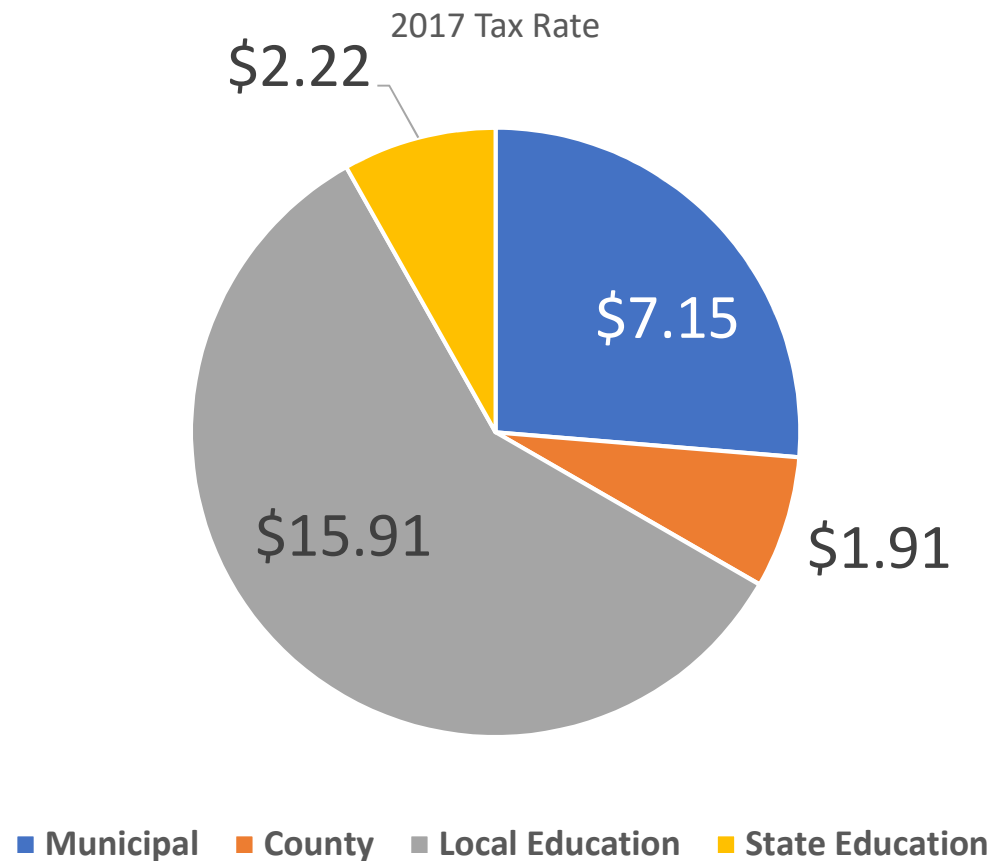


/enrollment as a % of total population

Typical of NH Communities, Lyme is Heavily
Dependent on Property Taxes to Fund Town
and School Functions
(Total Revenues=\$9,613,807)

| | |
|---|-----|
| Property Taxes | 90% |
| Licenses, Permits and Fees | 4% |
| State Sources | 2% |
| Charges for Services | 1% |
| Misc. Revenues and Taxes | 1% |
| Interfund Operating Transfer In | 2% |
| | |
| <i>Source: MS_535, 2017 Annual Report Pages 118-119</i> | |
| \2017 town report \data | |

67% of Taxes Fund Education



Impact Scenarios

- Generally, most of these scenarios indicate a modest positive impact on town finances when compared to total revenues raised and when divided by the number of residential units in the town
- Illustrates the impact of various development alternatives
- Isolates variable costs and variable tax revenues
- There is an infinite number of possible scenarios

| | | | | | | | |
|--|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Units | 50 | 50 | 50 | 50 | 50 | 50 | 100,000 Sq Ft |
| Unit Type | Single Family | Single Family | Single Family | Single Family | Age Restricted | Condos | Non Resid. |
| School Generation | Current | Higher | Current | Higher | Age Restricted | Estimated | None |
| Average Price | \$ 450,000 | \$ 450,000 | \$ 250,000 | \$ 250,000 | \$ 350,000 | \$ 250,000 | \$ 150 |
| Elementary/Middle School Students | 13 | 38 | 13 | 38 | 0 | 5 | 0 |
| High School Students | 6 | 13 | 6 | 13 | 0 | 3 | 0 |
| Local Property Taxes Generated | \$ 570,000 | \$ 570,000 | \$ 315,000 | \$ 315,000 | \$ 440,000 | \$ 315,000 | \$ 379,200 |
| % of Town-School Appropriation | 7% | 7% | 4% | 4% | 5% | 4% | 4% |
| Municipal Costs | \$ (90,000) | \$ (90,000) | \$ (90,000) | \$ (90,000) | \$ (90,000) | \$ (90,000) | \$ (100,400) |
| School Costs-Elem/Middle | \$ (36,300) | \$ (108,800) | \$ (36,300) | \$ (108,800) | \$ - | \$ (14,500) | \$ - |
| School Costs-High School | \$ (131,900) | \$ (265,200) | \$ (131,900) | \$ (265,200) | \$ - | \$ (51,000) | \$ - |
| Net Revenues | \$ 311,800 | \$ 106,000 | \$ 56,800 | \$ (149,000) | \$ 350,000 | \$ 159,500 | \$ 278,800 |
| Net Revenues per Housing Unit | \$ 370 | \$ 130 | \$ 70 | \$ 180 | \$ 420 | \$ 190 | \$ 330 |
| | \$ 311,800 | \$ 106,000 | \$ 56,800 | \$ (149,000) | \$ 350,000 | \$ 159,500 | \$ 278,800 |
| | | | | | | | |
| Note: Estimated 840 total housing units in Lyme | | | | | | | |
| Note: Total Property Taxes Generated \$8,733,800 (2017 town report page 133) | | | | | | | |
| | | | | | | | |

Questions and Comments?



Next steps

- Online feedback Form?
- Next Forum?
- Final report materials